

The complaint

Mr D was unhappy that his Scottish Widows Limited (Scottish Widows) pension platform did not allow for fund switches to be made or give him enough information about his funds' performance. He felt having to call or write to switch funds was too slow and that this led to his pension falling in value.

What happened

Our investigator set out the background to this complaint in his letter of recommendation, for ease of reference I have included an amended copy below:

Mr D opened this pension in 2014 and has invested in several different funds since then. Each year Mr D is sent an annual statement with information on how the plan has been doing and it invited Mr D to review the investments if he felt they were not right for him.

In 2015, on the back of a phone call, Mr D received information about the funds he was invested in, and the funds which were available for him to invest in.

On 10 March 2020, while reviewing funds Scottish Widows found that lifestyling was on Mr D's policy in error. They corrected this but let Mr D know that because of their error the plan value had actually increased by £2,188.81. They sent Mr D a letter advising that the gain would remain in the plan and gave him the option to stay in the lifestyling funds if he would prefer.

On 8 December 2021, Mr D contacted Scottish Widows because he was experiencing issues logging into the platform. They investigated this and let him know it was resolved on 27 April 2022. Mr D raised a complaint about this on 11 September 2022 and received £50 for distress and inconvenience.

Mr D requested a fund switch on 8 December 2024, with Scottish Widows responding with an email instructing him on how to do this. They created a work item for the switch in preparation, but did not receive any request to, so it was closed on 3 January 2025 with no action taken.

Mr D contacted Scottish Widows again to raise a complaint on 16 June 2025, with a phone call made to Mr D on 19 June 2025 to discuss the complaint. The complaint, which is the one we are dealing with here, was about the functionality of the platform and how the limitations mean Mr D has lost value on his pension.

Scottish Widows responded to the complaint and explained their platform is limited to basic functions, and if Mr D wishes to place trades he can call or write to them.

Unhappy with this response Mr D raised a complaint with our service. Since then he has transferred his pension away to another provider.

Our investigator looked into matters but didn't uphold the complaint. He said that Scottish Widows don't have to provide online switching but do offer alternatives. He concluded that it

wasn't responsible for the loss in value Mr D suffered.

Mr D didn't agree but did not provide any further reasoning.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

And having done so I agree with the outcome reached by our investigator and for broadly the same reasons.

Mr D is unhappy that Scottish Widows did not provide the ability to switch funds online. But as I understand it they never have for this particular type of plan and it is not a regulatory requirement to do so. Mr D had access to fund information and could call or write to Scottish Widows to place a fund switch. I appreciate for many this is not as convenient as being able to do it online but Scottish Widows hasn't done anything wrong here. Mr D had the ability to make fund switches but chose not to.

Mr D says that this impaired his ability to make quick fund switches and means a big difference in making a profit or loss on his investment. However, as the background to the complaint shows, Mr D didn't make a fund switch and this is a pension designed for long term investment. It is not a trading account and any fund switch comes with the potential for profit or loss.

Mr D suffered a fall in value from this Scottish Widows pension, but funds can go up and down and there was no guarantee made about its performance. I can see no link between the service/information Scottish Widows provided and Mr D's funds going down. Mr D did not place a fund switch, seemingly because he didn't like the inconvenience of calling or writing but this cannot be used to reasonably say Scottish Widows is responsible for his losses.

I can see that Mr D was in funds invested in UK bonds and gilts which suffered volatility due to the Liz Truss budget in 2022 and haven't recovered as yet. I appreciate this must be very frustrating for him and we have seen many others affected by this as well. But this was something that happened across funds invested in this type of asset and was not something specific to Scottish Widows.

In conclusion, Scottish Widows didn't offer online switching as is their right and unfortunately Mr D's funds suffered losses, but this was down to market performance and not something it did wrong.

My final decision

For the reasons explained, I do not uphold this complaint and make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 28 January 2026.

Simon Hollingshead
Ombudsman